

**Application of Wisconsin Energy Corporation for Approval to Acquire the
Outstanding Common Stock of Integrys Energy Group, Inc.
PSCW Docket No. 9400-YO-100**

**WEC's Response to
Staff's First Data Request
Dated: September 5, 2014**

Public Service Commission of Wisconsin
RECEIVED: 09/26/14, 12:48:40 PM

REQUEST NO. PSCW-01.07:

With regards to American Transmission Company (ATC):

- a. What are the company's long-term plans for its ATC investment?
- b. Please provide copies of any studies, reviews, reports or other documents regarding the feasibility of converting ATC to a REIT.
- c. Please provide copies of WPS Investments, LLC's current governing documents.
- d. Please provide copies of ATC Holding LLC's current governing documents.
- e. How many shares does each of the proposed WEC Energy Group companies beneficially hold in ATC Management and ATC?
- f. How will additional shares acquired in the future by the WEC Energy Group companies be voted?
- g. Please provide copies of any studies, reviews, reports or other documents regarding the feasibility of merging WPS Investments, LLC and ATC Holding LLC.
- h. How many occurrences over the past five years have shares voted by WEC diverted from those voted by Integrys on matters for which WEC Energy Group's vote would be limited? For which WEC Energy Group's vote would not be limited?
- i. Explain how the exceptions carved out in footnote 12 of the Application with respect to ATC issues in six fundamental corporate matters will not lead to the combined company's ability to exercise market power either in a horizontal or vertical fashion.
- j. Please explain the meaning of "a constructive termination of American Transmission Company LLC under Section 708 of the Code" referenced in Section 6.06(d) of the Agreement and Plan of Merger Dated as of June 22, 2014, between Integrys Energy Group, Inc. and Wisconsin Energy Corporation. Under what circumstances would such an event occur? What are the consequences of such a determination?

RESPONSE:

- a. There are no plans to change our investment in ATC; we plan to continue make capital contributions as requested. Responder: Scott Lauber (WEC)
- b. WEC and Integrys Energy Group has no studies, reviews, reports, or other documents regarding the feasibility of converting ATC to a REIT. Responders: Larry Borgard (Integrys) Scott Lauber (WEC)
- c. Please see attached Articles of Organization of WPS Investments, LLC and WPS Investments, LLC Third Amended & Restated Operating Agreement. Responder: Jodi Caro
- d. Please see attached.
- e. The shares that each of the proposed WEC Energy Group companies beneficially hold in ATC Management and ATC, LLC are as follow.

WEC response:

ATC Management, Inc.	Number of Shares Owned
Wisconsin Electric Power Company	4,317
American Transmission Company, LLC	Number of Membership Units Owned
ATC Holdings LLC	2,784,372
Wisconsin Electric Power Company	20,041,448

Responder: Scott Lauber (WEC)

WPSC Response:

ATC Management, Inc.	Number of Shares Owned
Integrys Energy Group*	315
WPSC	5,291
American Transmission Company, LLC	Number of Membership Units Owned
WPS Investments, LLC	29,642,184

**formerly Upper Peninsula Power Company's interests*

Responder: Jodi Caro (Integrys)

- f. WEC and Integrys have proposed to FERC that, other than with respect to certain fundamental corporate matters necessary to protect the value of their investment, on all matters involving ATC LLC or ATC Management Inc. (including the election of ATC Management Inc.'s directors), the combined company will only vote 34% of its ATC Management Inc. shares -- equivalent to Integrys Energy Group's current ownership share. To the extent a vote by ATC Management Inc.'s owners is required -- as opposed to action that can be taken by ATC Management Inc.'s board of directors -- the WEC and Integrys have proposed retaining their full voting rights for fundamental corporate matters, including: (1) a sale of all or substantially all of the assets of ATC; (2) a change in control; (3) bankruptcy; (4) an initial public offering; (5) the merger or consolidation of ATC with, or a proposal to acquire all or substantially all of the assets of, another company; and (6) any proposal to amend ATC LLC's or ATC Management, Inc.'s governing documents that would reduce the combined company's rights as a member or shareholder. The combined company will not use its full ownership interest to initiate any of these or similar actions but will only act to protect and preserve its expanded economic interest in ATC if such actions are initiated by others. Exceptions 1 through 5, above, do not currently require a vote of the ATC Management, Inc. or ATC LLC owners. Responder: Scott Lauber (WEC)
- g. WEC and Integrys Energy Group does not have any studies, reviews, reports or other documents regarding the feasibility of merging WPS Investments, LLC and ATC Holding LLC. Responders: Larry Borgard (Integrys) Scott Lauber (WEC)
- h. None, for either scenario. Responder: Joshua Erickson (WEC)
- i. The items on which the combined company has proposed to maintain its full voting power are considered to be fundamental corporate matters, and are not matters that affect the management, operations or planning activities of ATC. The combined company has proposed to maintain its full voting power on these corporate matters only to the extent it needs to act to protect and preserve its expanded interest in ATC if such actions are initiated by others. Without the ability to control the management or operations of ATC, the combined company will not be in a position to exercise either horizontal or vertical market power. All of these matters are determined by the board of directors of ATC Management Inc., the corporate manager of ATC. The combined company will only vote 34.07% of ATC Management's shares owned by the combined company in the election of directors.

In addition, most of the matters for which the combined company has proposed to maintain its full voting power are currently decided by the board of directors of ATC Management, not the shareholders. Responder: Joshua Erickson (WEC)

- j. A constructive termination, or technical termination, of a partnership under IRS Section 708(b)(1)(B) occurs if there is a sale or exchange of 50% or more of the total interest in partnership capital and profits. As a purely mechanical test, this type of termination can occur without any action by the partnership itself, and is measured

by aggregating any sales of partnership interests within a rolling 12 month period to determine if more than 50% has changed hands. Transfers of partnership interests are taken into account for Section 708, whether between partners, companies in the same affiliated group, or third parties.

In general, a technical termination under Section 708 is thought of as a negative event and something to avoid. The technical consequences of a constructive termination, under Regulation 1.708-1(b), involve (1) a deemed contribution of the assets of the original partnership to a new partnership for new partnership units, followed by (2) a distribution of the new partnership units to the original partners upon deemed liquidation of the original partnership. The practical consequence of a constructive termination is primarily a re-setting of all the tax depreciation lives on all the partnership assets, such that the same remaining tax basis in the assets would be depreciated starting over using new tax lives. With the significant amount of assets within American Transmission Company LLC, such a deemed termination should be avoided. Responder: David Hughes (WEC)

State of Wisconsin
Department of Financial Institutions
Division of Corporate and Consumer Services



ARTICLES OF ORGANIZATION - LIMITED LIABILITY COMPANY

Executed by the undersigned for the purpose of forming a Wisconsin limited liability company under Ch. 183 of the Wisconsin Statutes:

Article 1. Name of the limited liability company:

ATC Holding LLC

Article 2. The limited liability company is organized under Ch. 183 of the Wisconsin Statutes.

Article 3. Name of the initial registered agent: Keith H. Ecke

Article 4. Street address of the initial registered office:
(The complete address, including street and number, if assigned, and ZIP code. P O Box address may be included as part of the address, but is insufficient alone.)

231 W. Michigan Street

Milwaukee, WI 53203

Article 5. Management of the limited liability company shall be vested in:
(Select and check (X) the one appropriate choice below)

☐ a manager or managers

OR

☒ its members

Article 6. Name and complete address of each organizer:

David L. Hughes
231 W. Michigan Street
Milwaukee, WI 53203

Organizer's signature

Organizer's signature

This document was drafted by A. William Finke

(Name the individual who drafted the document)

➤ OPTIONAL – Second choice company name if first choice is not available:

FILING FEE - \$170.00 See instructions, suggestions, and procedures on following pages.
(Note: Electronic edition of this form is "Quickstart LLC," available at www.wdfl.org at a lower fee.)
DFI/CORP/502(R04/22/03) Use of this form is voluntary.

ARTICLES OF ORGANIZATION - Limited Liability Company

Γ

Keith H. Ecke
231 W. Michigan Street
Milwaukee, WI 53203

L

➤ Your name, return address and phone number during the day (414) 221 - 2779

INSTRUCTIONS (Ref. sec. 183.0202 Wis. Stats. for document content)

Submit one original and one exact copy to Department of Financial Institutions, P O Box 7846, Madison WI, 53707-7846, together with the appropriate **FILING FEE of \$170**. Filing fee is **non-refundable**. (If sent by Express or Priority U.S. mail, address to 345 W. Washington Ave., 3rd Floor, Madison WI, 53703). Sign the document manually or otherwise as allowed under sec. 183.0107(2), Wis. Stats.

NOTICE: This form may be used to accomplish a filing required or permitted by statute to be made with the department. Information requested may be used for secondary purposes. If you have any questions, please contact the Division of Corporate & Consumer Services at 608-261-7577. Hearing-impaired may call 608-266-8818 for TTY. This document can be made available in alternate formats upon request to qualifying individuals with disabilities.

Article 1. The name must contain the words "limited liability company" or "limited liability co." or end with the abbreviation "L.L.C." or "LLC". If you wish to provide a second choice name that you would accept if your first choice is not available, enter it in the "Optional" area on page 1.

Article 2. This statement is required by sec. 183.0202(1).

Articles 3 & 4. The company must have a registered agent located at a registered office in Wisconsin. The address of the registered office is to describe the physical location where the registered agent maintains their business office. Provide the street number and name, city and ZIP code in Wisconsin. P O Box addresses may be included as part of the address, but are insufficient alone. The company may not name itself as its own registered agent.

Article 5. Indicate whether management of the company will be vested in a manager or managers, or in its members. Select only one choice. (Ref. sec. 183.0401, Wis. Stats.)

Article 6. Print or typewrite the name and complete address of each organizer. At least one organizer is required to sign the document, although all organizers may sign.

If the document is executed in Wisconsin, sec. 182.01(3), Wis. Stats., provides that it shall not be filed unless the name of the drafter (either an individual or a governmental agency) is printed in a legible manner. If the document is not executed in Wisconsin, enter that remark.

This document may declare a delayed effective date. To do so, enter a remark: "This document has a delayed effective date of (enter the future date) ." The delayed effective date may not be before, or more than 90 days after, the document is received by the Department of Financial Institutions for filing.

NOTE: The articles of organization may contain **only** that information required under items 1 through 6. The company may create a separate operating agreement that includes additional information.

Sec. 183.0202
Wis. Stats.



State of Wisconsin
Department of Financial Institutions

ARTICLES OF ORGANIZATION - LIMITED LIABILITY COMPANY

Executed by the undersigned for the purpose of forming a Wisconsin Limited Liability Company under Chapter 183 of the Wisconsin Statutes:

- Article 1. **Name of the limited liability company:**
ATC Holding LLC
- Article 2. **The limited liability company is organized under Ch. 183 of the Wisconsin Statutes.**
- Article 3. **Name of the initial registered agent:**
Keith H. Ecke
- Article 4. **Street address of the initial registered office:**
231 W. Michigan Street
P240
Milwaukee, WI 53203
United States of America
- Article 5. **Management of the limited liability company shall be vested in:**
A member or members
- Article 6. **Name and complete address of each organizer:**
David L. Hughes
231 W. Michigan Street
Milwaukee, WI 53203
United States of America
- Other Information. **This document was drafted by:**
A. William Finke

Organizer Signature:

David L. Hughes

Date & Time of Receipt:

11/4/2009 2:09:25 PM

Credit Card Transaction Number:

20091142037303

**ARTICLES OF ORGANIZATION - Limited Liability
Company(Ch. 183)**

--

Filing Fee: \$130.00

Total Fee: \$130.00**ENDORSEMENT****State of Wisconsin
Department of Financial Institutions**

EFFECTIVE DATE	
11/4/2009	

FILED 11/4/2009	Entity ID Number A061668
---------------------------	-----------------------------

LIMITED LIABILITY COMPANY AGREEMENT

OF

ATC HOLDING LLC

THIS LIMITED LIABILITY COMPANY AGREEMENT (the “Agreement”) of ATC HOLDING LLC (the “Company”) dated as of this 30th day of April, 2010, by WISCONSIN ENERGY CORPORATION, a Wisconsin corporation, as the sole member of the Company (the “Member”).

RECITAL

The Member has formed the Company as a limited liability company under the laws of the State of Wisconsin and desires to enter into a written agreement, in accordance with the provisions of the Wisconsin Limited Liability Company Act, Wisconsin Statutes Chapter 183 and any successor statute, as amended from time to time (the “Act”), governing the affairs of the Company and the conduct of its business.

ARTICLE 1

The Limited Liability Company

1.1 Formation. The Member has previously formed the Company as a limited liability company pursuant to the provisions of the Act. Articles of organization for the Company as described in Sections 183.0201 and 183.0202 of the Act (the “Articles of Organization”) have been filed in the Department of Financial Institutions, Division of Corporate and Consumer Services of the State of Wisconsin, in conformity with the Act.

1.2 Name. The name of the Company shall be “ATC Holding LLC” and its business shall be carried on in such name with such variations and changes as the Member shall determine or deem necessary to comply with requirements of the jurisdictions in which the Company’s operations are conducted.

1.3 Business Purpose; Powers. The Company is formed for the purpose of engaging in any lawful business, purpose or activity for which limited liability companies may be formed under the Act. The Company shall possess and may exercise all the powers and privileges granted by the Act or by any other law or by this Agreement, together with any powers incidental thereto, so far as such

powers and privileges are necessary or convenient to the conduct, promotion or attainment of the business purposes or activities of the Company.

1.4 Registered Office and Agent. The location of the registered office of the Company shall be 231 W. Michigan Street, P240, Milwaukee, WI 53203. The Company's registered agent at such address shall be Keith H. Ecke.

1.5 Term. Subject to the provisions of Article 6 below, the Company shall have perpetual existence.

ARTICLE 2

The Member

2.1 The Member. The name and address of the Member are as follows:

<u>Name</u>	<u>Address</u>
Wisconsin Energy Corporation	231 West Michigan Street Milwaukee, Wisconsin 53203

2.2 Actions by the Member; Meetings. The Member may approve a matter or take any action at a meeting or without a meeting by the written consent of the Member. Meetings of the Member may be called at any time by the Member.

2.3 Liability of the Member. All debts, obligations and liabilities of the Company, whether arising in contract, tort or otherwise, shall be solely the debts, obligations and liabilities of the Company, and the Member shall not be obligated personally for any such debt, obligation or liability of the Company solely by reason of being a member.

2.4 Power to Bind the Company. The Member (acting in its capacity as such) shall have the authority to bind the Company to any third party with respect to any matter.

2.5 Admission of Members. Persons or entities may be admitted as members of the Company only upon the prior written approval of the Member.

ARTICLE 3

Management by the Member

3.1 Management of the Company. The management of the Company is fully reserved to the Member, and the Company shall not have “managers,” as that term is used in the Act. The powers of the Company shall be exercised by or under the authority of, and the business and affairs of the Company shall be managed under the direction of, the Member, who shall make all decisions and take all actions for the Company. In managing the business and affairs of the Company and exercising its powers, the Member shall act through resolutions adopted in written consents. Decisions or actions taken by the Member in accordance with this Agreement shall constitute decisions or action by the Company and shall be binding on the Company.

3.2 Officers and Related Persons. The Member shall have the authority to appoint and terminate officers of the Company and retain and terminate employees, agents and consultants of the Company and to delegate such duties to any such officers, employees, agents and consultants as the Member deems appropriate, including the power, acting individually or jointly, to represent and bind the Company in all matters, in accordance with the scope of their respective duties.

ARTICLE 4

Capital Structure and Contributions

4.1 Capital Structure. The capital structure of the Company shall consist of one class of common interests (the “Common Interests”). All Common Interests shall be identical with each other in every respect. The Member shall own all of the Common Interests issued and outstanding.

4.2 Capital Contributions. From time to time, the Member may determine that the Company requires capital and may make capital contribution(s) in an amount determined by the Member. A capital account shall be maintained for the Member, to which contributions and profits shall be credited and against which distributions and losses shall be charged.

ARTICLE 5

Profits, Losses and Distributions

5.1 Profits and Losses. For financial accounting and tax purposes, the Company’s net profits or net losses shall be determined on an annual basis in

accordance with the manner determined by the Member. In each year, profits and losses shall be allocated entirely to the Member.

5.2 Distributions. The Member shall determine profits available for distribution and the amount, if any, to be distributed to the Member, and shall authorize and distribute on the Common Interests, the determined amount when, as and if declared by the Member. The distributions of the Company shall be allocated entirely to the Member.

ARTICLE 6

Events of Dissolution

The Company shall be dissolved and its affairs wound up upon the occurrence of any of the following events (each, an “Event of Dissolution”):

- (a) the Member votes for dissolution; or
- (b) a judicial dissolution of the Company under Section 183.0902 of the Act.

No other event, including, without limitation, the death, retirement, resignation, expulsion, bankruptcy or dissolution of the Member, shall cause the dissolution of the Company; *provided, however*, that in the event of any occurrence resulting in the termination of the continued membership of the last remaining member of the Company, the Company shall be dissolved unless, within 90 days following such event, the personal representative of the last remaining member agrees in writing to continue the Company and to the admission of such personal representative (or any other person or entity designated by such personal representative) as a member of the Company, effective upon the event resulting in the termination of the continued membership of the last remaining member of the Company.

ARTICLE 7

Transfer of Interests in the Company

The Member may sell, assign, transfer, convey, gift, exchange, pledge, hypothecate or otherwise dispose of (“Transfer”) any or all of its Common Interests to any person or entity; *provided, however*, that such person or entity to whom such Common Interests are Transferred shall be an assignee and shall have no right to participate in the Company’s business and affairs unless and until such person or

entity shall be admitted as a member of the Company upon (i) the prior written approval by the Member pursuant to Section 2.5 of this Agreement and (ii) receipt by the Company of a written agreement executed by the person or entity to whom such Common Interests are Transferred agreeing to be bound by the terms of this Agreement.

ARTICLE 8

Exculpation and Indemnification

8.1 Exculpation. Notwithstanding any other provisions of this Agreement, whether express or implied, or any obligation or duty at law or in equity, none of the Member, nor any officers, directors, stockholders, partners, members, managers, employees, affiliates, representatives or agents of the Member, nor any officer, employee, representative or agent of the Company (individually, a “Covered Person” and, collectively, the “Covered Persons”) shall be liable to the Company or any other person for any act or omission (in relation to the Company, its property or the conduct of its business or affairs, this Agreement, any related document or any transaction contemplated hereby or thereby) taken or omitted by a Covered Person in good faith in the reasonable belief that such act or omission is in or is not contrary to the best interests of the Company and is within the scope of authority granted to such Covered Person by this Agreement, provided such act or omission does not constitute fraud, willful misconduct or gross negligence.

8.2 Indemnification. To the fullest extent permitted by the Act, the Company shall indemnify and hold harmless each Covered Person from and against any and all losses, claims, demands, liabilities, expenses, judgments, fines, settlements and other amounts arising from any and all claims, demands, actions, suits or proceedings, civil, criminal, administrative or investigative (“Claims”), in which the Covered Person may be involved, or threatened to be involved, as a party or otherwise, by reason of the fact that he, she or it is a Covered Person or which relates to or arises out of the Company or its property, business or affairs. A Covered Person shall not be entitled to indemnification under this Section 8.2 with respect to (i) any Claim with respect to which such Covered Person has engaged in fraud, willful misconduct or gross negligence or (ii) any Claim initiated by such Covered Person unless such Claim (A) was brought to enforce such Covered Person’s rights to indemnification hereunder or (B) was authorized or consented to by the Member. Expenses incurred in defending any Claim by (y) the Member or any officer, director, stockholder, partner, member, manager, or affiliate of the Member shall be paid by the Company and (z) any other Covered Person may be paid by the Company, but only upon the prior written approval of the Member in its sole and absolute discretion, upon such terms and conditions, if any, as the Member

deems appropriate, in each case, in advance of the final disposition of such Claim upon receipt by the Company of an undertaking by or on behalf of such Covered Person to repay such amount if it shall be ultimately determined that such Covered Person is not entitled to be indemnified by the Company as authorized by this Section 8.2.

8.3 Amendments. Any repeal or modification of this Article 8 by the Member shall not adversely affect any rights of such Covered Person pursuant to this Article 8, including the right to indemnification and to the advancement of expenses of a Covered Person, existing at the time of such repeal or modification with respect to any acts or omissions occurring prior to such repeal or modification.

ARTICLE 9

Miscellaneous

9.1 Tax Treatment. Unless otherwise determined by the Member, the Company shall be a disregarded entity for U.S. federal income tax purposes (as well as for any analogous state or local tax purposes), and the Member and the Company shall timely make any and all necessary elections and filings for the Company treated as a disregarded entity for U.S. federal income tax purposes (as well as for any analogous state or local tax purposes).

9.2 Amendments. Amendments to this Agreement and to the Articles of Organization shall be effective only if approved in writing by the Member. An amendment shall become effective as of the date specified in the approval of the Member or if none is specified as of the date of such approval.

9.3 Severability. If any provision of this Agreement is held to be invalid or unenforceable for any reason, such provision shall be ineffective to the extent of such invalidity or unenforceability; *provided, however*, that the remaining provisions will continue in full force without being impaired or invalidated in any way unless such invalid or unenforceable provision or clause shall be so significant as to materially affect the expectations of the Member regarding this Agreement. Otherwise, any invalid or unenforceable provision shall be replaced by the Member with a valid provision which most closely approximates the intent and economic effect of the invalid or unenforceable provision.

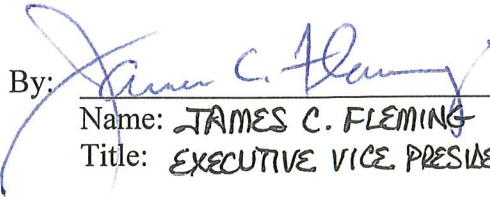
9.4 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Wisconsin without regard to the principles of conflicts of laws thereof.

9.5 Limited Liability Company. The Member intends to form a limited liability company and does not intend to form a partnership under the laws of the State of Wisconsin or any other laws.

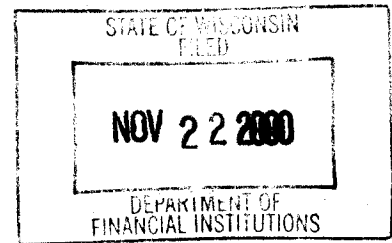
[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the undersigned has duly executed this Agreement as of the day first above written.

WISCONSIN ENERGY CORPORATION

By: 
Name: JAMES C. FLEMING
Title: EXECUTIVE VICE PRESIDENT & GENERAL COUNSEL

**ARTICLES OF ORGANIZATION
OF
WPS INVESTMENTS, LLC**



The undersigned, acting as organizer of a limited liability company under Chapter 183 of the Wisconsin Statutes, adopts the following Articles of Organization for the purpose of forming such limited liability company.

**ARTICLE I
Name**

The name of the Limited Liability Company is WPS Investments, LLC.

**ARTICLE II
Registered Office and Registered Agent**

The address of the initial registered office of the Limited Liability Company is c/o Wisconsin Public Service Corporation, 700 North Adams Street, P.O. Box 19001, Green Bay, Wisconsin 54307-9001 and the name of its initial registered agent at such address is Barth J. Wolf.


**ARTICLE III
Management**

Management of the Limited Liability Company shall be vested in one or more managers.

**ARTICLE IV
Organizer**

The name and address of the sole organizer of the Limited Liability Company is Leonard S. Sosnowski, c/o Foley & Lardner, 150 East Gilman Street, Post Office Box 1497, Madison, Wisconsin 53701-1497.

Executed on this 21st day of November, 2000.


Leonard S. Sosnowski, Sole Organizer

This instrument was drafted by, and after filing should be returned to, Leonard S. Sosnowski at Foley & Lardner, Post Office Box 1497, Madison, Wisconsin 53701-1497.

EXECUTION COPY

WPS INVESTMENTS, LLC
(a Wisconsin limited liability company)

THIRD AMENDED & RESTATED
OPERATING AGREEMENT

August 28, 2014

TABLE OF CONTENTS

	Page
Article I FORMATION	3
1.1 Definitions.....	3
1.2 Formation; Name	3
1.3 Purposes	3
1.4 Registered and Principal Offices	4
1.5 Term.....	4
1.6 Statutory Manager.....	4
1.7 Tax Classification	4
1.8 Admission of Additional Members.....	4
Article II CAPITAL CONTRIBUTIONS.....	4
2.1 Initial Capital Contributions	4
2.2 Additional Capital Contributions.....	4
2.3 Percentage Interests..	5
Article III CAPITAL ACCOUNTS	5
3.1 Capital Accounts.....	5
3.2 Adjustments	5
3.3 Transfers..	5
3.4 Interpretation.....	5
3.5 No Interest.....	6
3.6 Month-End Convention..	6
Article IV DISTRIBUTIONS	6
4.1 Regular Distributions..	6
4.2 Special Financing Distribution..	6
4.3 Liquidating Distributions..	6
Article V ALLOCATION OF PROFITS & LOSSES	6
5.1 Allocation of Profits and Losses.....	6
5.2 Regulatory Allocations..	6
5.3 Other Allocation Rules..	7
5.4 Tax Allocations.....	7
5.5 Definition of Profits and Losses..	8
Article VI BOARD OF DIRECTORS	8
6.1 Management.....	8
6.2 Authority and Powers..	8
6.3 Tenure and Qualifications.....	9
6.4 Meetings.....	9
6.5 Notice; Waiver.....	9
6.6 Quorum..	9
6.7 Manner of Acting.....	9
6.8 Conduct of Meetings.....	9

6.9	Vacancies..	10
6.10	Compensation..	10
6.11	Unanimous Consent without Meeting..	10
6.12	Restrictions on Authority on Manager, Board of Directors and Officers.....	10
Article VII OFFICERS		10
7.1	Officers..	10
7.2	Number..	11
7.3	Term of Office..	11
7.4	Removal..	11
Article VIII AMENDMENTS		11
8.1	By Members.....	11
8.2	Implied Amendments.....	11
Article IX INDEMNIFICATION OF OFFICERS AND DIRECTORS		11
9.1	Mandatory Indemnification..	11
Article X DISSOLUTION AND WINDING UP		12
10.1	Dissolution..	12
10.2	Winding Up and Liquidation..	12
Article XI TRANSFER.....		12
11.1	Assignment and Transfer..	12
11.2	No Dissolution..	12
Article XII BOOKS, REPORTS, ACCOUNTING, AND TAX ELECTIONS.....		13
12.1	Books and Records..	13
12.2	Fiscal Year..	13
12.3	Tax Elections..	13
12.4	Tax Matters..	13
Article XIII MISCELLANEOUS		13
13.1	Binding Effect.....	13
13.2	Rules of Construction..	13
13.3	Choice of Law and Severability.....	13
13.4	Entire Agreement..	13
13.5	Title to Property; No Partition..	13
13.6	Third-party Beneficiaries..	14
13.7	Counterparts.....	14
Article XIV GLOSSARY		14

**WPS INVESTMENTS, LLC
THIRD AMENDED & RESTATED
OPERATING AGREEMENT**

THIS THIRD AMENDED & RESTATED OPERATING AGREEMENT of WPS INVESTMENTS, LLC (the “Company”) is made as of August 28, 2014 (the “Effective Date”), by and between Wisconsin Public Service Corporation (“WPSC”), Integrys Energy Group, Inc. (“Integrys”) (collectively the “Members” and individually, a “Member”) and the Company.

RECITALS

WPSC caused the formation of the Company pursuant to the Act. Integrys, then named WPS Resources Corporation, and Upper Peninsula Power Company (“UPPCO”) became Members of the Company under the Second Amended & Restated Operating Agreement of the Company dated June 14, 2005.

Under a Stock Purchase Agreement dated January 17, 2014, Integrys agreed to sell all of the common stock of UPPCO to Balfour Beatty Infrastructure Partners, L.P. (“BBIP”). Immediately prior to the closing of the transaction contemplated by the Stock Purchase Agreement, UPPCO transferred its ownership interests in the Company and ceased to be a member of the Company.

The Members wish to enter into this Agreement for the purpose of providing the rights, obligations and restrictions contained in this Agreement and otherwise to govern the operations and management of the Company.

NOW, THEREFORE, in consideration of the mutual promises made in this Agreement, the Members agree as follows:

**ARTICLE I
FORMATION**

1.1 Definitions. Capitalized terms undefined in this Agreement shall have the meanings set forth in the Glossary contained in Article XIV.

1.2 Formation; Name. WPSC formed the Company as a limited liability company pursuant to the Act by causing, on November 21, 2000, Articles of Organization to be delivered to the Wisconsin Department of Financial Institutions. The Company’s name shall be WPS Investments, LLC and all business of the Company shall be conducted under that name.

1.3 Purposes. The Company shall have the authority to engage in any activity and to exercise any powers permitted to limited liability companies under the laws of the State of Wisconsin, except that the Company shall restrict its investment activities to making investments in ATCO.

1.4 Registered and Principal Offices. The registered and principal office of the Company shall be located at 700 North Adams Street, Green Bay, Wisconsin 54307-9001. The registered agent of the Company shall be Corporate Creations Network Inc., whose address is 4650 W. Spencer Street, Appleton, WI 54914. The Manager may establish additional offices or may relocate the principal or registered offices and may appoint a new registered agent if: (i) the then current registered agent resigns or (ii) the Manager determines to make a change in the registered agent.

1.5 Term. The Company's term officially began on November 21, 2000, formalized by the filing of the Articles with the Wisconsin Department of Financial Institutions, and shall continue until terminated by operation of law or by some provision of this Agreement.

1.6 Statutory Manager. Integrys shall be the Manager of the Company under the Act.

1.7 Tax Classification. For federal income tax purposes, and where permitted, for state income tax purposes, the Company shall be treated as a tax partnership unless the Manager elects different treatment under Treasury Regulation Section 301.7701-3 and/or applicable state tax law.

1.8 Admission of Additional Members. Additional members may be admitted to the Company with the written consent of the Manager.

ARTICLE II CAPITAL CONTRIBUTIONS

2.1 Capital Contributions

(a). WPSC. WPSC's Capital Contributions as of the Effective Date consist of the units of ATCO originally issued to WPSC.

(b). Integrys. Integrys' Capital Contributions as of the Effective Date consist of the units of ATCO originally issued to UPPCO and contributions of cash to the Company as required to meet capital calls on the Company made by ATCO.

(c). Capital Calls. Integrys shall contribute additional cash to the Company as required to meet the capital calls on the Company made by ATCO.

(d). Adjustments. As of the Effective Date, WPSC has a 14.55% ownership interest in the Company, and Integrys has a 85.45% ownership interest in the Company. The respective percentage interests of the Members shall be adjusted appropriately for any contribution of cash described in Section 2.1(c).

2.2 Additional Capital Contributions. Additional Capital Contributions to the Company may be made by the Manager at its discretion for purposes authorized by the Public Service Commission of Wisconsin.

2.3 Percentage Interests. The Membership Interest of a Member in the Company shall represent the percentage ownership that is determined by dividing a member's Capital Account balance by the Capital Account balances of all Members.

2.4 Company Debt. The Company shall restrict its borrowing activities to meet short-term working capital requirements. At no time shall the Company's borrowings exceed Two Hundred Fifty Thousand Dollars (\$250,000).

ARTICLE III

CAPITAL ACCOUNTS

3.1 Capital Accounts. There shall be established and maintained with respect to each Member a Capital Account in accordance with the following:

(a) Credits. Each member's Capital Account shall be increased by (i) the Members Capital Contributions; (ii) the Members' allocable share of Profits pursuant to Article V, below and (iii) the amount of any debt of the Company that is assumed by the Member or that is secured by any property distributed to the Member.

(b) Debits. Each Member's Capital Account shall be decreased by (i) the amount of cash and the fair market value, as determined by the Manager, of any Company asset distributed to the Member; (ii) the member's allocable share of Losses pursuant to Article V below; and (iii) the amount of any debt of the Member that is assumed by the Company or secured by any property contributed by the Member to the Company.

WPSC recognizes its obligations under Wisconsin Statute 196.795 (5) (c) and (d).

Notwithstanding this Section 3.1, WPSC will not lend money to any holding company which is not a public utility or to any nonutility affiliate with which it is in a holding company system. In addition, WPSC will not guarantee the obligations of any nonutility affiliate with which it is in a holding company system.

3.2 Adjustments. In the sole discretion of the Manager, the value of the Company's property and the Capital Accounts of the Members may be restated from time to time in accordance with Regulation Sections 1.704-1(b)(2)(iv)(f) and (g), provided, however, that such adjustments shall be made at any time as a similar revaluation and restatement is made in ATCO.

3.3 Transfers. In the event any Member assigns all or any part of the Member's Membership Interest in accordance with the terms of this Agreement, the Transferee shall succeed to the Capital Account of the Transferor to the extent the Capital Account relates to the transferred Membership Interest.

3.4 Interpretation. The provisions of this Article III and the other provisions of this Agreement relating to maintenance of Capital Accounts are intended to comply with

Regulation Section 1.704-1(b), the terms and requirements of which are incorporated hereby and shall be interpreted and applied in a manner consistent with those terms and conditions.

3.5 No Interest. No interest shall be paid on Capital Contributions or on the balance in each Member's Capital Account.

3.6 Month-End Convention. For purposes of this Agreement, all Capital Contributions, other than the initial Capital Contributions, shall be deemed to be received at the end of the month in which they are actually received by the Company.

ARTICLE IV

DISTRIBUTIONS

4.1 Regular Distributions. Except as set forth in Sections 4.2 and 4.3 below, cash available for distribution as determined by the Manager shall be distributed to the Members in proportion to their Membership Interests during the Fiscal Period to which the distribution relates.

4.2 Special Financing Distribution. Cash received from ATCO pursuant to Section 3.10 of the ATCO operating agreement shall be distributed to WPSC and Integrys in proportion to only their respective Membership Interests in the Company.

4.3 Liquidating Distributions. In the event of liquidation of the company pursuant to Article X below, any remaining assets of the Company shall be distributed in accordance with Section 10.2 below.

ARTICLE V

ALLOCATION OF PROFITS & LOSSES

5.1 Allocation of Profits and Losses. Except as provided in Sections 5.2, 5.3, and 5.4, below, Profits and Losses shall be allocated among the Members in proportion to their Membership Interests for the Fiscal Period.

5.2 Regulatory Allocations. This Agreement shall be deemed to contain provisions relating to "minimum gain chargeback," "nonrecourse deductions," "qualified income offset," "gross income allocations," and any other provision required to be contained in this Agreement pursuant to the Treasury Regulations promulgated under section 704(b) of the Code (the "Regulatory Allocations"), other than any requirement that a Member be required to contribute to the Company an amount equal to any deficit in the Member's capital account.

No allocation of Loss shall be made to a Member if the allocation would result in a negative balance in the Member's Capital Account in excess of (a) the amount the Member has loaned to the Company or (b) the amount of the Company's debt that the Member has guaranteed. In the event there is a negative balance in the Member's Capital Account in excess of the amount(s) set forth above, the Member shall be allocated income and gain in the amount of that excess as quickly as possible. Any Loss that cannot be allocated to a Member pursuant to

the restrictions contained in this paragraph shall be allocated to other Members. The Regulatory Allocations are intended to comply with the Treasury Regulations promulgated under section 704(b) of the Code. The other provisions of this Article V notwithstanding, the Regulatory Allocations shall be taken into account in allocating other Profits, Losses, and items of income, gain, and deduction among the Members so that, to the extent possible, the net amount of the allocations of other Profits, Losses, and other items and the Regulatory Allocations to each Member shall equal the net amount that would have been allocated to each Member if the Regulatory Allocations had not occurred.

5.3 Other Allocation Rules.

(a) Transfer of Membership Interests. If a Member transfers all or any portion of the Member's Membership Interest pursuant to this Agreement during any Fiscal Period, the Profits (or Losses) allocated to the Members for each such Fiscal Period shall be allocated among the Members in proportion to their respective Membership Interests from time to time during the Fiscal Period, in accordance with section 706 of the Code, using any convention permitted by law and selected by the Manager.

(b) Determination of Allocable Amounts. The Profits, Losses, or any other items allocable to any Fiscal Period shall be determined on a daily, monthly, or other basis, as determined by the Manager, using any permissible method under Section 706 of the Code and the Treasury Regulations under that section.

5.4 Tax Allocations

(a) Capital Contributions. In accordance with section 704(c) of the Code and the Treasury Regulations under that section, income, gain, loss, and deduction with respect to any contribution to the Company's capital shall, solely for tax purposes, be allocated among the Members so as to take account of any variation between the property's adjusted basis to the Company for federal income tax purposes and its initial asset value.

(b) Adjustment of Asset Value. If the asset value of any Company asset is adjusted, subsequent allocations of income, gain, loss, and deduction with respect to the asset shall take account of any variation between the asset's adjusted basis for federal income tax purposes and its asset value as so adjusted in the same manner as under section 704(c) of the Code and the Treasury Regulations under that section.

(c) Elections. Any elections or other decisions relating to the allocations shall be made by the Manager in any manner that reasonably reflects the purpose and intent of this Agreement.

(d) Imputed Interest. To the extent the Company has interest income or deductions with respect to any obligation of or to a Member pursuant to section 483, sections 1271-1288, or section 7872 of the Code, the interest income or deductions shall be specially allocated to the Member to whom the obligation relates.

5.5 Definition of Profits and Losses. "Profit" and "Loss" and any items of income, gain, expense or loss referred to in this Agreement shall mean the Company's income or

loss for the Fiscal Period, determined in accordance with section 703(a) of the Code and consistent with the principles of (i) maintaining Capital Accounts in accordance with Treas. Reg. Section 1.704-1(b)(2)(iv), and (ii) section 704(c) of the Code, except that Profit and Loss shall not include items of income, gain and expense that are specially allocated pursuant to Section 5.2 above.

ARTICLE VI BOARD OF DIRECTORS

6.1 Management. In the discretion of the Manager, the management of the Company may be vested in a Board of Directors. In such event, (i) the number of Directors of the Company shall be three (3), who shall be appointed by the Manager; and (ii) the following provisions shall apply.

6.2 Authority and Powers. All powers of the Company shall be exercised by or under the authority of the Board of Directors. Decisions of the Board of Directors within its scope of authority shall be binding upon the Company. Such powers shall specifically include but shall not be limited to the power to:

(a) Authorize any Officer or Officers, agent or agents to sign all checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Company, which shall be signed by such Officer or Officers, agent or agents of the Company and in such manner, including by means of facsimile signatures, as shall from time to time be determined by or under the authority of a resolution of the Board of Directors;

(b) Select directly or under the authority of a resolution such banks, trust companies or other depositories to which all funds of the Company not otherwise employed shall be deposited from time to time to the credit of the Company;

(c) Borrow and lend money at such rates of interest and from or to such parties as is approved, such approval may be general or confined to specific instances;

(d) Take such actions as are consistent with the Company's business and purpose under Section 1.3 of this Agreement;

(e) Insure the Company's activities and property;

(f) Pay out of the Company's funds all fees and expenses incurred in the organization and operation of the Company;

(g) Authorize the execution of all documents, instruments and agreements reasonably deemed by the Board of Directors to be necessary, appropriate or needed for the performance of its duties and the exercise of its powers under this Agreement;

(h) Appoint a registered agent or change the registered office pursuant to Section 1.4 above; and

(i) Retain attorneys, accountants and other professionals in the course of the performance of the Directors' duties and exercise of their powers.

6.3 Tenure and Qualifications. Each Director shall hold office until his or her successor shall have been duly appointed or until his or her prior death, resignation or removal. A Director may be removed from office by the Manager for any reason or no reason. A Director may resign at any time by filing his or her written resignation with the Secretary of the Company.

6.4 Meetings. Meetings of the Board of Directors may be called by or at the request of the Chairman of the Board (if the Board of Directors determines to elect one), the President, Secretary or any two Directors. The Chairman of the Board, President or Secretary calling any meeting of the Board of Directors may fix the time and place for holding any special meeting of the Board of Directors called by them, and if no other place is fixed the place of the meeting shall be the principal business office of the Company.

6.5 Notice; Waiver. Notice of each meeting of the Board of Directors shall be given to each Director (i) by written notice delivered personally or mailed to such Director at his or her business address or at such other address as such Director shall have designated, or (ii) by word of mouth or telephone, in each case not less than 120 hours if by mail and not less than 48 hours if by word of mouth, telephone or facsimile, prior thereto. If mailed, such notice shall be deemed to be delivered when deposited in the mail so addressed, with postage thereon prepaid. Whenever any notice whatever is required to be given to any Director of the Company under this Agreement, a waiver thereof in writing, signed at any time, whether before or after the time of meeting, by the Director entitled to such notice, shall be deemed equivalent to the giving of such notice. The attendance of a Director at a meeting shall constitute a waiver of notice of such meeting. Neither the business to be transacted at, nor the purpose of, any meeting of the Board of Directors need be specified in the notice or waiver of notice of such meeting.

6.6 Quorum. Except as otherwise provided by the Agreement, a majority of the Directors shall constitute a quorum ("Quorum") for the transaction of business at any meeting of the Board of Directors, but a majority of the Directors present (though less than such Quorum) may adjourn the meeting from time to time without further notice.

6.7 Manner of Acting. The act of the majority of the Directors present at a meeting at which a Quorum is present shall be the act of the Board of Directors, unless the act of a greater number is required by the Agreement.

6.8 Conduct of Meetings. The Chairman of the Board, or in the event the Board of Directors determines not to elect a Chairman of the Board, or in his or her absence, the President, and in his or her absence, a Vice-President, and in their absence, any Director chosen by the Directors present, shall call meetings of the Board of Directors to order and shall act as chairperson of the meeting. The Secretary of the Company shall act as secretary of all meetings

of the Board of Directors but in the absence of the Secretary, the presiding Officer may appoint any Assistant Secretary or any Director or other person present to act as secretary of the meeting.

6.9 Vacancies. Any vacancy occurring in the Board of Directors, including a vacancy created by an increase in the number of Directors, shall be filled by appointment by the Manager at its convenience.

6.10 Compensation. The Board of Directors, by affirmative vote of a majority of the Directors then in office, and irrespective of any personal interest of any of its members, may establish reasonable compensation of all Directors for services to the Company as Directors, Officers or otherwise, or may delegate such authority to an appropriate committee. The Board of Directors also shall have authority to provide for or delegate authority to an appropriate committee to provide for reasonable pensions, disability or death benefits, and other benefits or payments, to Directors, Officers and employees and to their estates, families, dependents or beneficiaries on account of prior services rendered by such Directors, Officers and employees to the Company.

6.11 Unanimous Consent without Meeting. Any action required or permitted by the Agreement to be taken by the Board of Directors or any committee thereof at a meeting or by resolution may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the Directors or members of such committee entitled to vote with respect to such action, which consents may be executed in counterparts.

6.12 Restrictions on Authority of Manager, Board of Directors and Officers. None of the Manager, the Board of Directors, the Chairman of the Board or the Officers shall have the authority to:

- (a) Do any act in contravention of applicable law or this Agreement or that would make it impossible to carry on the Company's activities;
- (b) Possess Company property, or assign rights in specific Company property, for other than a purpose of the Company;
- (c) Perform any act that would subject a Member to liability in any jurisdiction except as expressly provided in this Agreement;
- (d) Change, convert or reorganize the Company into any other legal form without the prior written consent of all of the Sole Members; or
- (e) Except as permitted expressly by this Agreement, take any action that will cause the dissolution of the Company.

ARTICLE VII OFFICERS

7.1 Officers. In the discretion of the Manager, Officers may be appointed, and upon institution of a Board of Directors, the Board shall appoint Officers. In either such event, the following provisions shall apply.

7.2 Number. The Officers of the Company shall be a President, a Vice President, a Secretary, a Treasurer and such assistant secretaries and assistant treasurers and other officers as may be appropriate. Any two or more offices may be held by the same person, except the offices of President and Secretary and the offices of President and Vice-President. Unless the Manager or Board of Directors decides otherwise, the authority and duties of the Officers shall be those that are normally associated with the holder of that office under the Business Corporations Act of the State of Wisconsin herein and any further duties designated by the Board of Directors. The duties herein specified for particular Officers may be transferred to and vested in such other Officers as may be elected or appointed from time to time and for such periods or without limitation as to time as the Manager or Board shall order.

7.3 Term of Office. Each Officer shall hold office until his or her successor shall have been duly appointed or until his or her prior death, resignation or removal.

7.4 Removal. Any Officer or agent may be removed at any time, but such removal shall be without prejudice to the contract rights, if any, of the person so removed. Appointment shall not of itself create contract rights.

ARTICLE VIII AMENDMENTS

8.1 By Members. The Agreement may be altered, amended or repealed and a new Agreement may be adopted only by vote of all Members, except as provided in Section 8.2.

8.2 Implied Amendments. Any action taken or authorized by the Manager or by the Board of Directors, which would be inconsistent with the Agreement then in effect but is taken or authorized by the Members shall be given the same effect as though the Agreement had been temporarily amended or suspended so far, but only so far, as is necessary to permit the specific action so taken or authorized.

ARTICLE IX INDEMNIFICATION OF OFFICERS AND DIRECTORS

9.1 Mandatory Indemnification. The Company shall, as if and to the same extent as limited liability companies organized under the Act are permitted, indemnify, defend, and hold harmless the Manager, the Directors and the Officers (each, an "Actor"), to the extent of the Company's assets, for, from, and against any liability, damage, cost, expense, loss, claim, or judgment incurred by the Actor arising out of any claim based upon acts performed or omitted to be performed by the Company, the Manager, its Directors and Officers, or any of its or their agents in connection with the business of the Company acting in capacity as a Manager Director or Officer of the Company, including without limitation, attorneys' fees and costs incurred by the Actor in settlement or defense of such claims. Notwithstanding the foregoing, no Actor shall be so indemnified, defended, or held harmless for claims based upon its acts or omissions in the breach of this Agreement or which constitute fraud, willful misconduct, or breach of fiduciary duty to the Company or to the Members. Amounts incurred by an Actor in connection with any action or suit arising out of or in connection with Company affairs shall be reimbursed by the Company if such action or suit does arise in a matter for which indemnification is available

under this Section 9.1 (provided that the Company shall in all events advance expenses of defense but only if the Actor undertakes in writing to repay the advanced funds to the Company if the Actor is finally determined by a court of competent jurisdiction to not be entitled to indemnification pursuant to the provisions of this Section 9.1).

ARTICLE X DISSOLUTION AND WINDING UP

10.1 Dissolution. The Company shall be dissolved upon the happening of any of the following:

- (a) The unanimous decision of the Members to dissolve the Company;
- (b) The unanimous affirmative vote of the Board of Directors;
- (c) The Company being adjudicated insolvent or bankrupt;
- (d) Entry of a decree of judicial dissolution.

10.2 Winding Up and Liquidation. Upon a dissolution of the Company, the Manager shall select a liquidator (the “Liquidator”). The Liquidator shall liquidate as much of the Company’s assets in its discretion, and shall do so as promptly as is consistent with obtaining fair value for them, and shall apply and distribute the assets of the Company in accordance with the following:

- (a) First, to the payment and discharge of all of the Company’s debts and liabilities to creditors of the Company including the Members, and also including, without limitation, the unpaid principal balance (and any interest thereon) of any loans made by the Members;
- (b) Second, to the Members in accordance with their Capital Account balances, after making the adjustments for allocations under Article V, above, up to and including the date of the liquidating distribution..

ARTICLE XI TRANSFER

11.1 Assignment and Transfer. A Member may voluntarily Assign any portion of its rights with respect to, or interest in, the Company only with the consent of the Manager. As used in this Section 11.1, “Assign” means sell, transfer or assign and “Assignment” means a sale, transfer or assignment.

11.2 No Dissolution. A Member’s Assignment of any portion of its interest does not result in the dissolution of the Company.

ARTICLE XII
BOOKS, REPORTS, ACCOUNTING, AND TAX ELECTIONS

12.1 Books and Records. The Company shall maintain or cause to be maintained at the Company's principal place of business, the records required by nonwaivable provisions of the Act.

12.2 Fiscal Year. The Fiscal Year of the Company shall be the calendar year.

12.3 Tax Elections. The Manager shall have the sole discretion and authority to make or revoke any elections on behalf of the Company for tax purposes.

12.4 Tax Matters. The manager shall serve as the Company's "tax matters partner" for all purposes of the Code.

ARTICLE XIII
MISCELLANEOUS

13.1 Binding Effect. Except as provided to the contrary, the terms and provisions of this Agreement shall be binding upon and shall inure to the exclusive benefit of the Members, the Company and their successors and assigns.

13.2 Rules of Construction. The captions in this Agreement are inserted only as a matter of convenience and in no way affect the terms or intent of any provision of this Agreement. All defined phrases, pronouns, and other variations thereof shall be deemed to refer to the masculine, feminine, neuter, singular, or plural, as the actual identity of the organization, person, or persons may require.

13.3 Choice of Law and Severability. This Agreement shall be construed in accordance with the internal laws of Wisconsin. If any provision of this Agreement shall be contrary to the internal laws of Wisconsin or any other applicable law, at the present time or in the future, such provision shall be deemed null and void, but shall not affect the legality of the remaining provisions of this Agreement. This Agreement shall be deemed to be modified and amended so as to be in compliance with applicable law and this Agreement shall then be construed in such a way as will best serve the intention of the parties at the time of the execution of this Agreement.

13.4 Entire Agreement. This Agreement constitutes the entire agreement of the Members and the Company regarding the terms and operations of the Company as of the Effective Date, except for any amendments to this Agreement adopted in accordance with the terms herein. This Agreement supersedes all prior and contemporaneous agreements, statements, understandings, and representations regarding the terms and operations of the Company, except as provided in the preceding sentence.

13.5 Title to Property; No Partition. All real and personal property owned by the Company shall be owned by it as an entity and no Member shall have an ownership interest in such property in its individual right or name, and the Members' Membership Interests represented thereby shall be personal property.

13.6 Third-Party Beneficiaries. The agreements contained in this Agreement inure solely to the benefit of the Members, the Company and their successors and assigns. Except in an action brought by, but not on behalf of, a Member, no provision of this Agreement is specifically enforceable, and no provision of this Agreement shall be construed to be for the benefit of any creditor of the Company or to create rights under any theory of third-party beneficiary.

13.7 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

ARTICLE XIV GLOSSARY

In this Agreement, the following terms shall have the meanings indicated below, and any derivations of these terms shall have correlative meanings:

“Act” means the Wisconsin Limited Liability Company Act.

“Agreement” means the Operating Agreement of WPS Investments, LLC dated June 29, 2001 and any amendments hereto.

“ATCO” means American Transmission Company, LLC, a Wisconsin limited liability company.

“Board of Directors” or “Board” means the board that will manage the Company’s business and affairs as described in the Agreement.

“Business Day” means a day other than a Saturday, Sunday, or a legal holiday on which federally chartered banks are generally closed for business.

“Capital Contribution” means the gross amount of cash, property, services rendered, or promissory notes or other written obligations including under this Agreement to provide cash or property or to perform services contributed to the Company by the Members with respect to their Membership Interests.

“Code” means the Internal Revenue Code of 1986 and as amended and its successor provisions.

“Director(s)” means a member or the members of the Board of Directors appointed as provided in Section 6.1 for the purpose of delegating management of the Company.

“Fiscal Period” means a portion of a Fiscal year.

“Liquidator” means the person selected as such by the Manager pursuant to Section 10.2 hereof.

“Membership Interest” or “Membership Interests” means the equity interest in the Company expressed as a percentage as such percentage may be adjusted from time to time pursuant to this Agreement.

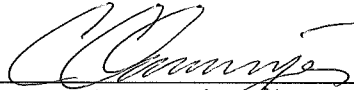
“Officers” means any of the persons holding a Company office pursuant to Section 7.2.

“Treasury Regulations” means the regulations adopted from time to time by the Department of Treasury under the Code and any reference to “parties” or “partnership” therein shall refer, as appropriate, to Members and the Company, respectively.


[signature page follows]

IN WITNESS WHEREOF, the undersigned has caused this Agreement to be executed as of the day and year first above written.

**WISCONSIN PUBLIC SERVICE
CORPORATION**


By: 
Name: Charles A. Cloninger
Title: President

INTEGRYS ENERGY GROUP, INC.

By: 
Name: William D. Gise
Title: Vice President and Treasurer

WPS INVESTMENTS, LLC

By: Integrys Energy Group, Inc., Manager

By: 
Name: Dore A. Allen
Title: Assistant Secretary, Integrys Energy Group, Inc.